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February 14, 2003

William E. Muno, Director  
Superfund Division  
US EPA, Region 5  
77 West Jackson  
Chicago, IL 60604-3590

**Re: Unilateral Administrative Order/Sauget Area 2/Subarea R**

Dear Mr. Muno:

This will respond to the above-referenced UAO on behalf of Chemical Waste Management, Inc. ("Chem-Waste"). This letter is not intended to be a comprehensive recitation of the legal and equitable defenses available to Chemical Waste Management, Inc. in response to the order. Notwithstanding Section 101 of the order, EPA has no authority to require and Chem-Waste has no obligation to provide a sufficient cause defense at this time. However, the letter summarizes some of the reasons why Chem-Waste should not have received the UAO and Chem-Waste's decision to respond affirmatively.

In 1982 Chemical Waste Management, Inc. acquired the assets of Trade Waste Incineration, a hazardous waste incinerator located at 7 Mobile St., Sauget, Illinois. That facility was located on a former Illinois Central Railroad switching yard and was (and is) regulated under the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901, et seq. As such, the facility's entire operating history has been the subject of rigorous attention by U.S. EPA, Illinois EPA, and the local community. In addition, numerous subsurface investigations have been conducted over the years as part of regular exercises in due diligence. At no time did those investigations reveal the presence of chemicals at concentrations of concern.

There are also no records of disposal on the TWI facility. There are no records of a release from the TWI facility, let alone a release which could (or has) caused the occurrence of response costs. To the contrary, the empirical evidence demonstrates that no hazardous substance, pollutant or contaminant has been released from the TWI facility. There is also no information in U.S. EPA's administrative record to the contrary. The minor spills into contained areas inside the site have been well documented to have been remediated to avoid any release

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into the environment. The facility itself is not located within the boundaries of any of the five sub-areas which make up Sauget Area 2. Rather, the facility is located outside and west of Subarea S just east of the Levee. In December 2001, we submitted extensive comments critical of the Agency's proposed listing of the Sauget Area 2 site on the NPL. The Agency did not respond to those comments which noted that the TWI property did not appear to be included in the area proposed for listing.

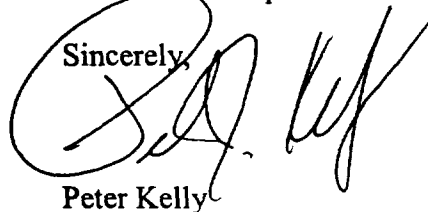
In 2000, U.S. EPA sent Special Notice letters to a number of parties advising of their potential liability under Superfund for conditions in Sauget Area 2 and inviting their participation in the conduct of an RI/FS of Sauget Area 2. Chemical Waste Management, Inc. responded to that request by joining with other parties and executed an Administrative Order or Consent ("AOC") to undertake the RI/FS. In doing so, Chem-Waste did not admit any liability under CERCLA for conditions in Sauget Area 2. The decision to participate in the RI/FS was simply a practical weighing of the costs of compliance versus the cost of defending an innocent Respondent.

In the case of the instant UAO, it seems clear that the Focused Feasibility Study of Site R was intended to justify the UAO remedy which Solutia will ultimately assert to be an adequate corrective action under the Resource Conservation and Control Act for its Krummrich Plant. If the jet-grout wall required by the UAO works in this difficult alluvial system, installation of an additional upgradient groundwater barrier could not serve an environmental purpose. Therefore, the UAO requires the Respondents to fund the Krummrich Corrective Action.

Notwithstanding the above, in consideration of the rough justice that is the hallmark of Superfund and to avoid further transaction costs, Chem-Waste will respond to the UAO in the only practical way possible. We understand that Solutia has committed to do the work required by the UAO. For any other party to duplicate that effort would be wasteful and counterproductive. Chem-Waste has joined with the other Respondents to reach an agreement with Solutia to fairly allocate the costs of the project. Both of the offers to Solutia were summarily rejected. At this point Chem-Waste will seek to meet with EPA to explore possible solutions (e.g., a de minimis settlement) to the outstanding UAO issues.

Thank you for extending the time within which to respond to the UAO.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Kelly', is written over the word 'Sincerely,'.

Peter Kelly

JD:jm

cc: Thomas Martin, Esq.  
Jack Dowden